

## **Assembly Bill No. 180**

### **CHAPTER 395**

An act to amend Sections 7600, 7602, 7607, 7609, 7622.2, 7685.3, 7685.5, and 7725.2 of, to amend the heading of Chapter 12 (commencing with Section 7600) of Division 3 of, to amend, repeal, and add Sections 205, 7608, and 7727 of, to add Sections 7610.1, 7711.1, 7711.2, 7711.3, 7711.4, 7711.5, 7711.6, 7711.7, 7711.8, 7711.9, 7711.10, 7711.11, 7711.12, 7729.1, 7729.2, 7729.3, 7729.4, 7729.5, 7729.6, 7729.7, 7729.8, 7729.9, 7729.10, 7730, 7730.1, 7730.2, 7730.3, 7730.4, 7730.5, 7730.6, 7730.7, 7730.8, 7730.9, 7731, 7731.1, and 7731.2 to, to add Article 1.5 (commencing with Section 7611), Article 2.5 (commencing with Section 7637), Article 3.5 (commencing with Section 7651), Article 4.5 (commencing with Section 7672), and Article 6.5 (commencing with Section 7712) to Chapter 12 of Division 3 of, to add and repeal Sections 7730.10, 7731.3, and 7731.4 of, to repeal Sections 7619.2, 7620, and 7621 of, to repeal Chapter 19 (commencing with Section 9600) of Division 3 of, and to repeal and add Section 7606 of, the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

[Approved by Governor October 1, 2015. Filed with  
Secretary of State October 1, 2015.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

**AB 180, Bonilla. Cemetery and Funeral Bureau.**

Existing law provides for the licensure and regulation of funeral directors, funeral establishments, and embalmers, by the Cemetery and Funeral Bureau pursuant to the Funeral Directors and Embalmers Law, and a violation of the law is a crime. Existing law provides for the licensure and regulation of cemetery managers, cemetery brokers, cemetery salespersons, crematories, and crematory managers, pursuant to the Cemetery Act, by the Cemetery and Funeral Bureau. Existing law directs charges imposed under the law and the act to be deposited into the State Funeral Directors and Embalmers Fund or the Cemetery Fund, respectively. Under existing law, these funds are continuously appropriated. Existing law, the Cemetery Act, requires the bureau to survey each of its licensees to obtain information to determine if the endowment care fund levels of the licensee's cemetery are sufficient to cover the cost of future operation, as specified, and required the bureau to report its findings and recommendations to the Legislature by January 1, 2008.

This bill would consolidate the Funeral Directors and Embalmers Law and the Cemetery Act into the Cemetery and Funeral Bureau Act. The bill, beginning July 1, 2016, would direct charges imposed under the act to be deposited into the renamed Cemetery and Funeral Fund, a continuously

appropriated fund. Because additional moneys would be deposited into a continuously appropriated fund, the bill would make an appropriation. The bill would subject the powers and duties of the bureau to review by the appropriate policy committees of the Legislature and require the review to be performed as if the act is scheduled to be repealed on January 1, 2020. The bill would require the bureau to conduct a study to obtain information to determine if the endowment care fund levels of its licensees' cemeteries are sufficient to cover the cost of future maintenance, as specified, and to report its findings and recommendations to those policy committees by January 1, 2018. The bill would no longer require an applicant to include specified information or proof when applying to become a funeral director. The bill would also remove obsolete references and make additional nonsubstantive changes.

By expanding the scope of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would incorporate additional changes in Section 205 of the Business and Professions Code, proposed by AB 177 and AB 179 that would become operative only if this bill and either or both of those bills are chaptered and become effective January 1, 2016, and this bill is chaptered last.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 205 of the Business and Professions Code is amended to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery Fund.
- (6) Contractors' License Fund.
- (7) State Dentistry Fund.
- (8) State Funeral Directors and Embalmers Fund.
- (9) Guide Dogs for the Blind Fund.
- (10) Home Furnishings and Thermal Insulation Fund.
- (11) California Architects Board-Landscape Architects Fund.
- (12) Contingent Fund of the Medical Board of California.
- (13) Optometry Fund.

- (14) Pharmacy Board Contingent Fund.
  - (15) Physical Therapy Fund.
  - (16) Private Investigator Fund.
  - (17) Professional Engineer's and Land Surveyor's Fund.
  - (18) Consumer Affairs Fund.
  - (19) Behavioral Sciences Fund.
  - (20) Licensed Midwifery Fund.
  - (21) Court Reporters' Fund.
  - (22) Veterinary Medical Board Contingent Fund.
  - (23) Vocational Nurses Account of the Vocational Nursing and Psychiatric Technicians Fund.
  - (24) Electronic and Appliance Repair Fund.
  - (25) Geology and Geophysics Account of the Professional Engineer's and Land Surveyor's Fund.
  - (26) Dispensing Opticians Fund.
  - (27) Acupuncture Fund.
  - (28) Physician Assistant Fund.
  - (29) Board of Podiatric Medicine Fund.
  - (30) Psychology Fund.
  - (31) Respiratory Care Fund.
  - (32) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
  - (33) Board of Registered Nursing Fund.
  - (34) Psychiatric Technician Examiners Account of the Vocational Nursing and Psychiatric Technicians Fund.
  - (35) Animal Health Technician Examining Committee Fund.
  - (36) State Dental Hygiene Fund.
  - (37) State Dental Assistant Fund.
  - (38) Structural Pest Control Fund.
  - (39) Structural Pest Control Eradication and Enforcement Fund.
  - (40) Structural Pest Control Research Fund.
- (b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.
- (c) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.
- SEC. 2. Section 205 is added to the Business and Professions Code, to read:
205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:
- (1) Accountancy Fund.
  - (2) California Architects Board Fund.
  - (3) Athletic Commission Fund.

- (4) Barbering and Cosmetology Contingent Fund.
  - (5) Cemetery and Funeral Fund.
  - (6) Contractors' License Fund.
  - (7) State Dentistry Fund.
  - (8) Guide Dogs for the Blind Fund.
  - (9) Home Furnishings and Thermal Insulation Fund.
  - (10) California Architects Board-Landscape Architects Fund.
  - (11) Contingent Fund of the Medical Board of California.
  - (12) Optometry Fund.
  - (13) Pharmacy Board Contingent Fund.
  - (14) Physical Therapy Fund.
  - (15) Private Investigator Fund.
  - (16) Professional Engineer's and Land Surveyor's Fund.
  - (17) Consumer Affairs Fund.
  - (18) Behavioral Sciences Fund.
  - (19) Licensed Midwifery Fund.
  - (20) Court Reporters' Fund.
  - (21) Veterinary Medical Board Contingent Fund.
  - (22) Vocational Nurses Account of the Vocational Nursing and Psychiatric Technicians Fund.
  - (23) Electronic and Appliance Repair Fund.
  - (24) Geology and Geophysics Account of the Professional Engineer's and Land Surveyor's Fund.
  - (25) Dispensing Opticians Fund.
  - (26) Acupuncture Fund.
  - (27) Physician Assistant Fund.
  - (28) Board of Podiatric Medicine Fund.
  - (29) Psychology Fund.
  - (30) Respiratory Care Fund.
  - (31) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
  - (32) Board of Registered Nursing Fund.
  - (33) Psychiatric Technician Examiners Account of the Vocational Nursing and Psychiatric Technicians Fund.
  - (34) Animal Health Technician Examining Committee Fund.
  - (35) State Dental Hygiene Fund.
  - (36) State Dental Assistant Fund.
  - (37) Structural Pest Control Fund.
  - (38) Structural Pest Control Eradication and Enforcement Fund.
  - (39) Structural Pest Control Research Fund.
- (b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.
- (c) This section shall become operative on July 1, 2016.

SEC. 2.1. Section 205 is added to the Business and Professions Code, to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors' License Fund.
- (7) State Dentistry Fund.
- (8) Guide Dogs for the Blind Fund.
- (9) Home Furnishings and Thermal Insulation Fund.
- (10) California Architects Board-Landscape Architects Fund.
- (11) Contingent Fund of the Medical Board of California.
- (12) Optometry Fund.
- (13) Pharmacy Board Contingent Fund.
- (14) Physical Therapy Fund.
- (15) Private Investigator Fund.
- (16) Professional Engineer's, Land Surveyor's, and Geologist's Fund.
- (17) Consumer Affairs Fund.
- (18) Behavioral Sciences Fund.
- (19) Licensed Midwifery Fund.
- (20) Court Reporters' Fund.
- (21) Veterinary Medical Board Contingent Fund.
- (22) Vocational Nurses Account of the Vocational Nursing and Psychiatric Technicians Fund.
- (23) Electronic and Appliance Repair Fund.
- (24) Dispensing Opticians Fund.
- (25) Acupuncture Fund.
- (26) Physician Assistant Fund.
- (27) Board of Podiatric Medicine Fund.
- (28) Psychology Fund.
- (29) Respiratory Care Fund.
- (30) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (31) Board of Registered Nursing Fund.
- (32) Psychiatric Technician Examiners Account of the Vocational Nursing and Psychiatric Technicians Fund.
- (33) Animal Health Technician Examining Committee Fund.
- (34) State Dental Hygiene Fund.
- (35) State Dental Assistant Fund.
- (36) Structural Pest Control Fund.
- (37) Structural Pest Control Eradication and Enforcement Fund.
- (38) Structural Pest Control Research Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the

several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall become operative on July 1, 2016.

SEC. 2.2. Section 205 is added to the Business and Professions Code, to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors' License Fund.
- (7) State Dentistry Fund.
- (8) Guide Dogs for the Blind Fund.
- (9) Home Furnishings and Thermal Insulation Fund.
- (10) California Architects Board-Landscape Architects Fund.
- (11) Contingent Fund of the Medical Board of California.
- (12) Optometry Fund.
- (13) Pharmacy Board Contingent Fund.
- (14) Physical Therapy Fund.
- (15) Private Investigator Fund.
- (16) Professional Engineer's and Land Surveyor's Fund.
- (17) Consumer Affairs Fund.
- (18) Behavioral Sciences Fund.
- (19) Licensed Midwifery Fund.
- (20) Court Reporters' Fund.
- (21) Veterinary Medical Board Contingent Fund.
- (22) Vocational Nursing and Psychiatric Technicians Fund.
- (23) Electronic and Appliance Repair Fund.
- (24) Geology and Geophysics Account of the Professional Engineer's and Land Surveyor's Fund.
- (25) Dispensing Opticians Fund.
- (26) Acupuncture Fund.
- (27) Physician Assistant Fund.
- (28) Board of Podiatric Medicine Fund.
- (29) Psychology Fund.
- (30) Respiratory Care Fund.
- (31) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (32) Board of Registered Nursing Fund.
- (33) Animal Health Technician Examining Committee Fund.
- (34) State Dental Hygiene Fund.
- (35) State Dental Assistant Fund.
- (36) Structural Pest Control Fund.

(37) Structural Pest Control Eradication and Enforcement Fund.

(38) Structural Pest Control Research Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall become operative on July 1, 2016.

SEC. 2.3. Section 205 is added to the Business and Professions Code, to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors' License Fund.
- (7) State Dentistry Fund.
- (8) Guide Dogs for the Blind Fund.
- (9) Home Furnishings and Thermal Insulation Fund.
- (10) California Architects Board-Landscape Architects Fund.
- (11) Contingent Fund of the Medical Board of California.
- (12) Optometry Fund.
- (13) Pharmacy Board Contingent Fund.
- (14) Physical Therapy Fund.
- (15) Private Investigator Fund.
- (16) Professional Engineer's, Land Surveyor's, and Geologist's Fund.
- (17) Consumer Affairs Fund.
- (18) Behavioral Sciences Fund.
- (19) Licensed Midwifery Fund.
- (20) Court Reporters' Fund.
- (21) Veterinary Medical Board Contingent Fund.
- (22) Vocational Nursing and Psychiatric Technicians Fund.
- (23) Electronic and Appliance Repair Fund.
- (24) Dispensing Opticians Fund.
- (25) Acupuncture Fund.
- (26) Physician Assistant Fund.
- (27) Board of Podiatric Medicine Fund.
- (28) Psychology Fund.
- (29) Respiratory Care Fund.
- (30) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (31) Board of Registered Nursing Fund.
- (32) Animal Health Technician Examining Committee Fund.
- (33) State Dental Hygiene Fund.

- (34) State Dental Assistant Fund.
- (35) Structural Pest Control Fund.
- (36) Structural Pest Control Eradication and Enforcement Fund.
- (37) Structural Pest Control Research Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall become operative on July 1, 2016.

SEC. 3. The heading of Chapter 12 (commencing with Section 7600) of Division 3 of the Business and Professions Code is amended to read:

#### CHAPTER 12. CEMETERY AND FUNERAL ACT

SEC. 4. Section 7600 of the Business and Professions Code is amended to read:

7600. This chapter of the Business and Professions Code constitutes the chapter on cemetery and funeral law. It may be cited as the Cemetery and Funeral Act.

SEC. 5. Section 7602 of the Business and Professions Code is amended to read:

7602. (a) (1) There is in the department the Cemetery and Funeral Bureau, under the supervision and control of the director.

(2) The director may appoint a chief at a salary to be fixed and determined by the director, with the approval of the Director of Finance. The duty of enforcing and administering this chapter is vested in the chief, and he or she is responsible to the director therefor. The chief shall serve at the pleasure of the director.

(3) Every power granted or duty imposed upon the director under this chapter may be exercised or performed in the name of the director by a deputy director or by the chief, subject to such conditions and limitations as the director may prescribe.

(b) Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter is scheduled to be repealed on January 1, 2020.

SEC. 6. Section 7606 of the Business and Professions Code is repealed.

SEC. 7. Section 7606 is added to the Business and Professions Code, to read:

7606. The bureau may establish necessary rules and regulations for the administration and enforcement of this act and the laws subject to its jurisdiction and prescribe the form of statements and reports provided for in this act. The rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of the Administrative Procedure Act

(Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 8. Section 7607 of the Business and Professions Code is amended to read:

7607. The bureau may inspect the premises in which the business of a funeral establishment, cemetery, or crematory is conducted, where embalming is practiced, or where human remains are stored.

SEC. 9. Section 7608 of the Business and Professions Code is amended to read:

7608. (a) The Director of Consumer Affairs may employ and appoint all employees necessary to properly administer the work of the bureau, in accordance with civil service regulations.

With the approval of the Director of Finance, and, subject to the provisions of Section 159.5, the bureau shall employ investigators and attorneys to assist the bureau in prosecuting violations of this chapter relating to funeral directors and embalmers, whose compensation and expenses shall be payable only out of the State Funeral Directors and Embalmers Fund.

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 10. Section 7608 is added to the Business and Professions Code, to read:

7608. (a) The Director of Consumer Affairs may employ and appoint all employees necessary to properly administer the work of the bureau, in accordance with civil service regulations.

With the approval of the Director of Finance, and, subject to the provisions of Section 159.5, the bureau shall employ investigators and attorneys to assist the bureau in prosecuting violations of this chapter, whose compensation and expenses shall be payable only out of the Cemetery and Funeral Fund.

(b) This section shall become operative on July 1, 2016.

SEC. 11. Section 7609 of the Business and Professions Code is amended to read:

7609. This chapter does not apply to, or in any way interfere with, the duties of any officer of any public institution or of any duly accredited medical college, nor does it apply to any hospital licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, or anyone engaged only in the furnishing of burial receptacles.

SEC. 12. Section 7610.1 is added to the Business and Professions Code, to read:

7610.1. In the enforcement of this act and the laws subject to its jurisdiction, the bureau has all the powers and is subject to all the responsibilities vested in and imposed upon the head of a department under Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 13. Article 1.5 (commencing with Section 7611) is added to Chapter 12 of Division 3 of the Business and Professions Code, to read:

## Article 1.5. Definitions and Regulation of Cemeteries

7611. The definitions in this article govern the meaning of terms used in the act except as otherwise provided expressly or by necessary implication.

7611.1. “Act” means the Cemetery and Funeral Bureau Act.

7611.2. A “cemetery broker” is a person who, other than in reference to an occasional sale, sells or offers for sale, buys, or offers to buy, lists, leases or offers to lease, or solicits, or negotiates the purchase or sale, lease, or exchange of cemetery property or interment services, or interest therein, for his or her own account or for another.

7611.3. A “cemetery salesperson” is a natural person who, other than in reference to an occasional sale, is employed by a cemetery broker to sell, or offer for sale, list or offer to list, or to buy, or to offer to buy, or to lease, or offer to lease, or to solicit, or to negotiate the purchase or sale or lease or exchange of cemetery property or interment services, or any interest therein, for his or her own account or for another.

7611.4. (a) A “cemetery manager” is a person engaged in or conducting, or holding himself or herself out as engaged in those activities involved in, or incidental to, the maintaining, operating, or improving a cemetery licensed under this chapter, the interring of human remains, and the care, preservation, and embellishment of cemetery property.

(b) For persons licensed pursuant to Section 7637.1, a “cemetery manager” is a person engaged in or conducting, or holding himself or herself out as engaged in those activities involved in, or incidental to, the following:

(1) The maintaining, operating, or improving of a cemetery licensed under this chapter.

(2) The interment of human remains.

(3) The care, preservation, and embellishment of cemetery property.

(4) Activities described in Section 7637.2.

7611.5. A “crematory manager” is a person engaged in or conducting, or holding himself or herself out as engaged in those activities involved in, or incidental to, the maintaining or operating of a crematory licensed under this chapter, and the cremation of human remains.

7611.6. The definitions in Chapter 1 (commencing with Section 7000) of Part 1 of Division 7 of the Health and Safety Code are applicable to this act.

7611.7. “Cemetery licensee” means any cemetery broker, cemetery salesperson, or cemetery manager.

7611.8. “Crematory licensee” shall mean a corporation, partnership, or natural person licensed pursuant to Article 6.5 (commencing with Section 7712) and shall mean a cemetery licensee for purposes of disciplinary action under Article 6 (commencing with Section 7686).

7611.9. A “cremated remains disposer” is a person who, for his or her own account or for another, disposes of, or offers to dispose of, cremated human remains by scattering over or on land or sea.

7611.10. “Endowment care” or “endowed care” shall include both general and special care funds.

7612. An “occasional sale” is a sale of cemetery property not acquired or held for purposes of resale or speculation, provided such sale is not one of a series of sales sufficient in number, scope, and character to constitute engaging in the business of selling or reselling or holding for speculation cemetery property.

7612.1. “Public cemetery” means a cemetery owned and operated by a city, county, city and county, or public cemetery district.

7612.2. This act does not apply to any of the following:

(a) A religious corporation, church, religious society or denomination, a corporation sole administering temporalities of any church or religious society or denomination, or any cemetery organized, controlled, and operated by any of them.

(b) A public cemetery.

(c) Any private or fraternal burial park not exceeding 10 acres in area, established prior to September 19, 1939; however, (1) those cemeteries shall be subject to the cemetery brokerage provisions of this act, and (2) any cemetery shall be subject to all of the provisions of this act if it collects a care, maintenance, or embellishment deposit or sets up a trust for burial purposes pursuant to Section 8775 of the Health and Safety Code, including funeral services such as mortuary, cremation, or other commodities or services furnished at the time of and in connection with that funeral or cremation.

7612.3. The bureau shall disclose on its Internet Web site, information about each cemetery subject to the jurisdiction of the bureau. In addition to the information required by Section 27, the bureau shall disclose the name of the owner of each cemetery, the name of the cemetery, the business address of the cemetery owner, and the physical address of the cemetery.

7612.4. (a) Notwithstanding Section 8115 of the Health and Safety Code, in order to protect consumers, the bureau shall adopt regulations that establish minimum standards of maintenance for endowment care cemeteries under the jurisdiction of the bureau. The regulations shall consider differences in cemetery size, location, topography, and type of interments. The regulations shall also consider the extent to which funds are available from the cemetery’s endowment care funds to perform maintenance.

(b) The standards established pursuant to this section shall not supersede any standards of a higher level of care established pursuant to Section 8115 of the Health and Safety Code.

7612.5. (a) (1) Any person who holds or has held, or was named on, any license or registration under the jurisdiction of the bureau that has been, within the immediately preceding 10 years, revoked, suspended, placed on probation, or surrendered under a stipulated decision, and who is employed by, or who seeks employment with, a licensed cemetery, a licensed crematory, or a licensed cemetery broker in any capacity, shall inform the licensed cemetery manager, the licensed crematory manager, or the licensed cemetery broker of that revocation, suspension, probation, or surrender.

(2) A person subject to this subdivision shall inform the licensed cemetery manager, the licensed crematory manager, or the licensed cemetery broker

upon application for employment by completing a form that shall be made available by the bureau.

(b) The cemetery manager, crematory manager, or cemetery broker who is informed pursuant to subdivision (a) shall notify the bureau by submitting the form within 30 days of being so informed. Failure of the cemetery manager, crematory manager, or cemetery broker to notify the bureau shall be a cause for a warning. A cemetery manager, crematory manager, or cemetery broker shall not be subject to a warning if his or her failure to notify the bureau is due to a false statement made by an employee.

(c) Any person required to notify the cemetery manager, crematory manager, or cemetery broker under subdivision (a) who fails to do so or who makes a false statement on the required form shall be subject to disciplinary action if that person is a licensee of the bureau, or that failure or false statement shall be cause for denial of a license under Section 480.

(d) For purposes of subdivision (a), the term “named on” applies to a person who was an owner, partner, or corporate officer of an entity that was licensed or registered under the act at the time that entity’s license or registration under the act was revoked, suspended, placed on probation, or surrendered.

7612.6. (a) Each cemetery authority shall file with the bureau annually, on or before June 1, or within five months after close of their fiscal year provided approval has been granted by the bureau as provided for in Section 7612.7, a written report in a form prescribed by the bureau setting forth the following:

(1) The number of square feet of grave space and the number of crypts and niches sold or disposed of under endowment care by specific periods as set forth in the form prescribed.

(2) The amount collected and deposited in both the general and special endowment care funds segregated as to the amounts for crypts, niches, and grave space by specific periods as set forth either on the accrual or cash basis at the option of the cemetery authority.

(3) A statement showing separately the total amount of the general and special endowment care funds invested in each of the investments authorized by law and the amount of cash on hand not invested, which statement shall actually show the financial condition of the funds.

(4) A statement showing separately the location, description, and character of the investments in which the special endowment care funds are invested. The statement shall show the valuations of any securities held in the endowment care fund as valued pursuant to Section 7614.7.

(5) A statement showing the transactions entered into between the corporation or any officer, employee, or stockholder thereof and the trustees of the endowment care funds with respect to those endowment care funds. The statement shall show the dates, amounts of the transactions, and shall contain a statement of the reasons for those transactions.

(b) The report shall be verified by the president or vice president and one other officer of the cemetery corporation. The information submitted pursuant to paragraphs (2), (3), (4), and (5) of subdivision (a) shall be

accompanied by an annual audit report of the endowment care fund and special care fund signed by a certified public accountant or public accountant. The scope of the audit shall include the inspection, review, and audit of the general purpose financial statements of the endowment care fund and special care fund, which shall include the balance sheet, the statement of revenues, expenditures, and changes in fund balance.

(c) If a cemetery authority files a written request prior to the date the report is due, the bureau may, in its discretion, grant an additional 30 days within which to file the report.

7612.7. Each cemetery authority requesting a change of filing date of the endowment care fund report from a calendar year to a fiscal year or a change in fiscal year shall file a petition with the bureau prior to the close of the year of request. The bureau may approve such petition provided that no report shall be for a period of more than 12 months.

7612.8. The report shall state the name of the trustee or trustees of the endowment care fund. Any change of trustee shall be reported to the bureau within a period of 30 days after the change is made.

7612.9. A copy of each annual audit report shall be transmitted to the bureau and shall be a public record. It shall also be open for public inspection at the offices of the cemetery authority during normal business hours. If the cemetery authority does not maintain offices in the county in which its cemetery is located, it shall file a copy of the annual audit report with the county clerk of the county, which shall be subject to public inspection.

7612.10. (a) Any cemetery authority that does not file its report within the time prescribed by Section 7612.6 may be assessed a fine by the bureau in an amount not to exceed four hundred dollars (\$400) per month for a maximum of five months. The amount of the fine shall be established by regulation in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Failure to pay the fine within 15 days after receipt of written notification of the assessment or, where a timely request for waiver or reduction of the fine has been filed, within 15 days after receipt of written notification of the bureau's decision in the matter, shall be cause for disciplinary action.

(b) A cemetery authority may request waiver or reduction of a fine by making a written request therefor. The request shall be postmarked within the time specified above for payment of the fine and shall be accompanied by a statement showing good cause for the request.

(c) The bureau may waive or reduce the fine where a timely request is made and where it determines, in its discretion, that the cemetery authority has made a sufficient showing of good cause for the waiver or reduction.

7612.11. (a) The bureau shall conduct a study to obtain information to determine if the endowment care fund levels of each licensee's cemetery are sufficient to cover the cost of future maintenance. The bureau shall also review the levels of endowment care funds that have previously been reported pursuant to this chapter by licensed cemeteries.

(b) The bureau shall report its findings and recommendations to the appropriate policy committees of the Legislature by January 1, 2018.

7613. The bureau shall examine the reports filed with it as to their compliance with the requirements of the Health and Safety Code as to the amount of endowment care funds collected and as to the manner of investment of those funds.

7613.1. The bureau shall examine the endowment care funds of a cemetery authority:

(a) Whenever it deems necessary and at least once every five years.

(b) Whenever the cemetery authority in charge of endowment care funds fails to file the report required by this article.

(c) Whenever the accountant or auditor qualifies his or her certification of the report that is prepared and signed by a certified public accountant licensed in the state and prepared in accordance with Section 7612.6.

(d) The reasonable and necessary cost of the examination performed under subdivision (b) or (c) shall be paid by the cemetery authority.

(e) A certified copy of the actual costs, or a good faith estimate of the costs where actual costs are not available, signed by the director or his or her designee, shall be prima facie evidence of the reasonable and necessary costs of the examination.

(f) The actual and necessary expense of the examination under subdivision (a) shall, in the discretion of the bureau, be paid by the cemetery authority whenever the examination requires more than one day and the need for continuing the examination is directly related to identified omissions and errors in the management of endowment care funds.

7613.2. (a) If any cemetery authority refuses to pay such expenses, the bureau shall refuse it a certificate of authority and shall revoke any existing certificate of authority. All examination expense moneys collected by the bureau shall be paid into the State Treasury to the credit of the Cemetery Fund.

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

7613.2. (a) If any cemetery authority refuses to pay such expenses, the bureau shall refuse it a certificate of authority and shall revoke any existing certificate of authority. All examination expense moneys collected by the bureau shall be paid into the State Treasury to the credit of the Cemetery and Funeral Fund.

(b) This section shall become operative on July 1, 2016.

7613.3. (a) In making the examination, the bureau:

(1) Shall have free access to the books and records relating to the trust funds, their collection and investment, and the number of graves, crypts, and niches under endowment care.

(2) Shall inspect and examine the trust funds to determine their condition and the existence of the investments.

(3) Shall ascertain if the cemetery corporation has complied with all the laws applicable to trust funds.

(b) Upon request by the bureau, a cemetery authority shall provide records to substantiate the expenditures of the income of the trust funds. If a cemetery authority fails to reasonably comply with this request, the bureau may have access to books, records, and accounts of a cemetery authority for purposes of ascertaining compliance with applicable laws.

7613.4. (a) Subject to subdivision (b), a limited liability company certificated as a cemetery authority pursuant to Section 7018 of the Health and Safety Code may provide services of licensed cemetery brokers, cemetery salespersons, cemetery managers, funeral directors, embalmers, crematorium licensees, and any other person licensed under this code to provide services relating to cemeteries and funerals by employing one or more of these licensed persons.

(b) At the time of certification, and at all times during which a limited liability company transacts intrastate business as a cemetery authority, the company shall be required to provide security for claims against it based upon acts, errors, or omissions of its licensed employees as described in subdivision (a) by complying with one, or a combination, of the following:

(1) (A) Maintaining a policy or policies of insurance against liability imposed on or against it by law for damages arising out of claims. However, the total aggregate limit of liability under the policy or policies of insurance for a limited liability company that employs five or fewer licensed persons shall not be less than one million dollars (\$1,000,000), and for a limited liability company that employs more than five licensees, an additional one hundred thousand dollars (\$100,000) of insurance shall be obtained for each additional licensee except that the maximum amount of insurance is not required to exceed five million dollars (\$5,000,000) in any one designated period, less amounts paid in defending, settling, or discharging claims as set forth in this paragraph. The policy or policies may be issued on a claims-made or occurrence basis, and shall cover:

(i) In the case of a claims-made policy, claims initially asserted in the designated period.

(ii) In the case of an occurrence policy, occurrences during the designated period.

(B) For purposes of this paragraph, “designated period” means a policy year or any other designated period in the policy that is not greater than 12 months.

(C) The impairment or exhaustion of the aggregate limit of liability by amounts paid under the policy in connection with the settlement, discharge, or defense of claims applicable to a designated period shall not require the limited liability company to acquire additional insurance coverage for that designated period. The policy or policies of insurance may be in a form reasonably available in the commercial insurance market and may be subject to those terms, conditions, exclusions, and endorsements that are typically contained in those policies. A policy or policies of insurance maintained pursuant to this paragraph may be subject to a deductible or self-insured retention.

(D) Upon the dissolution and winding up of the limited liability company, the company shall, with respect to any insurance policy or policies then maintained pursuant to this paragraph, maintain or obtain an extended reporting period endorsement or equivalent provision in the maximum aggregate limit of liability required to comply with this paragraph for a minimum of three years if reasonably available from the insurer.

(2) Maintaining in trust or bank escrow, cash, bank certificates of deposit, United States Treasury obligations, bank letters of credit, or bonds of insurance or surety companies as security for payment of liabilities imposed by law for damages arising out of all claims. However, the maximum amount of security for a limited liability company that employs five or fewer licensed persons shall not be less than one million dollars (\$1,000,000), and for a limited liability company that employs more than five licensees rendering professional services on behalf of the company, an additional one hundred thousand dollars (\$100,000) of security shall be obtained for each additional licensee except that the maximum amount of security is not required to exceed five million dollars (\$5,000,000). The limited liability company remains in compliance with this section during a calendar year notwithstanding amounts paid during that calendar year from the accounts, funds, Treasury obligations, letters of credit, or bonds in defending, settling, or discharging claims of the type described in this paragraph, provided that the amount of those accounts, funds, Treasury obligations, letters of credit, or bonds was at least the amount specified in the preceding sentence as of the first business day of that calendar year. Notwithstanding the pendency of other claims against the limited liability company, it shall be deemed to be in compliance with this paragraph as to a claim if within 30 days after the time that a claim is initially asserted through service of a summons, complaint, or comparable pleading in a judicial or administrative proceeding, the limited liability company has provided the required amount of security by designating and segregating funds in compliance with the requirements of this paragraph.

(3) Unless the limited liability company has satisfied paragraph (4), each member of a limited liability company certificated as a cemetery authority that provides professional services rendered by employees who are licensed professionals described in subdivision (a), by virtue of that person's status as a member, thereby automatically guarantees payment of the difference between the maximum amount of security required for the limited liability company by this subdivision and the security otherwise provided in accordance with paragraphs (1) and (2), provided that the aggregate amount paid by all members under these guarantees shall not exceed the difference. Neither withdrawal by a member nor the dissolution and winding up of the limited liability company shall affect the rights or obligations of a member arising prior to withdrawal or dissolution and winding up, and the guarantee provided for in this paragraph shall apply only to conduct that occurred prior to the withdrawal or dissolution and winding up. Nothing contained in this subdivision shall affect or impair the rights or obligations of the

members among themselves, or the limited liability company, including, but not limited to, rights of contribution, subrogation, or indemnification.

(4) Confirming, pursuant to the procedure in subdivision (c) of Section 16956 of the Corporations Code, that, as of the most recently completed fiscal year of the limited liability company, it had a net worth equal to or exceeding ten million dollars (\$10,000,000). The limited liability company shall transmit evidence of this paragraph to the bureau in a form similar to the form submitted by a limited liability partnership providing alternative security provisions pursuant to subdivision (c) of Section 16956 of the Corporations Code.

(c) (1) A limited liability company may aggregate the security required pursuant to paragraphs (1) to (4), inclusive, of subdivision (b).

(2) For purposes of compliance with this section, the provisions of subdivision (d) of Section 16956 of the Corporations Code shall apply to a limited liability company certificated as a cemetery authority.

7613.5. (a) A person licensed under this code as a cemetery broker, cemetery salesperson, cemetery manager, funeral director, embalmer, crematorium licensee, or other person licensed to provide services related to cemeteries and funerals shall not have any ownership interest as a member in a limited liability company certificated as a cemetery authority pursuant to Section 7018 of the Health and Safety Code.

(b) If a limited liability company admits, as a member with ownership interest, a licensed person described in subdivision (a), the limited liability company, by operation of law, shall be deemed in violation of subdivision (e) of Section 17701.04 of the Corporations Code, and the members shall be treated as partners with joint and several liability for claims made upon acts, errors, or omissions arising out of services provided by any licensed person described in subdivision (a).

(c) If the bureau determines that a licensed cemetery broker, cemetery salesperson, cemetery manager, funeral director, embalmer, crematorium licensee, or other person licensed to provide services related to cemeteries and funerals has an ownership interest as a member in the limited liability company, the bureau shall suspend the limited liability company's certificate of authority. The bureau shall reinstate the certificate of authority only upon finding that the licensed cemetery broker, cemetery salesperson, cemetery manager, funeral director, embalmer, crematorium licensee, or other person licensed to provide services related to cemeteries and funerals has been divested of his or her ownership interest in the limited liability company or has voluntarily surrendered his or her license.

7613.6. The bureau may administer oaths and examine under oath any person relative to the endowment care fund. The examination shall be conducted in the principal office of the person or body in charge of the endowment care fund and shall be private.

7613.7. If any examination made by the bureau, or any report filed with it, shows that there has not been collected and deposited in the endowment care funds the minimum amounts required by the Health and Safety Code

since September 19, 1939, the bureau shall require a cemetery corporation to comply with Sections 8743 and 8744 of the Health and Safety Code.

7613.8. Whenever the bureau finds, after notice and hearing, that any endowment care funds have been invested in violation of the Health and Safety Code, it shall by written order mailed to the person or body in charge of the fund require the reinvestment of the funds in conformity to that code within a period which shall be not less than two years if the investment was made prior to October 1, 1949, not less than six months if the investment was made on or after October 1, 1949, and before the effective date of the amendment of this section by the 1969 Regular Session of the Legislature, and not less than 30 days if the investment is made on or after the effective date of the amendment. The period may be extended by the bureau in its discretion.

7613.9. The superior court of the county in which the principal office of the cemetery authority in charge of endowment care funds is located shall, upon the filing by the bureau of a verified application showing any of the following conditions hereinafter enumerated to exist, issue its order vesting title to any endowment care funds of a cemetery authority in the bureau, and directing the bureau forthwith to take possession of all necessary books, records, property, real and personal, and assets, and to conduct as conservator, the management of such endowment care funds, or so much thereof as to the bureau may seem appropriate:

(a) That the cemetery authority has refused to submit its books, papers, accounts, or affairs to the reasonable examination of the bureau.

(b) That the cemetery authority has neglected to observe an order of the bureau to make good within the time prescribed by law any deficiency in its investments of endowment care funds.

(c) That the cemetery authority is found, after an examination, to be in such condition that its further management of its endowment care funds will be hazardous to its members, plotoholders, or to the public.

(d) That the cemetery authority has violated its articles of incorporation or any law of the state.

(e) That any officer, director, agent, servant, or employee of the cemetery authority person refuses to be examined under oath relative to the endowment care funds thereof.

(f) That any person has embezzled or otherwise wrongfully diverted any of the endowment care funds of the cemetery authority.

(g) The order shall continue in force and effect until, on the application either of the bureau or of the cemetery authority, it shall, after a full hearing, appear to the court that the ground for the order does not exist or has been removed and that the cemetery authority can properly resume title and possession of its property and the management of its endowment care funds.

7613.10. When it has been alleged by verified petition pursuant to Section 7613.1 or when the bureau on its own investigation determines that there is probable cause to believe that any of the conditions set forth in Section 7613.9 exist or that irreparable loss and injury to the endowment care funds of a cemetery authority has occurred or may occur unless the bureau so acts

immediately, the bureau, without notice and before applying to the court for any order, may take possession of the endowment care funds and the books, records, and accounts relating thereto of the cemetery authority, and retain possession subject to the order of the court. Any person having possession of and refusing to deliver any assets, books, or records of a cemetery authority against which a seizure order has been issued by the bureau shall be guilty of a misdemeanor and punishable by a fine not exceeding one thousand dollars (\$1,000) or imprisonment not exceeding one year, or by both that fine and imprisonment.

7614. If any city, county, or city and county exercises its authority to address public health, safety, or welfare issues in connection with a cemetery within its jurisdiction and if the certificate of authority of the cemetery has been revoked or suspended or has not been renewed, and the bureau holds the endowment care fund of the certificate of authority under applicable provisions of this code, the costs of any action that constitutes care, maintenance, or embellishment of the cemetery within the meaning of Section 8726 of the Health and Safety Code shall be eligible for reimbursement from available income from any endowment care fund in existence for the cemetery. For purposes of this section, local jurisdiction action may be based on charter, ordinance, or inherent police powers. Any claim for money or damages for an act or omission by the local jurisdiction acting in accord with this section shall be subject to all otherwise applicable immunities contained in Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

7614.1. Whenever the bureau makes any seizure as provided in Section 7613.10, it shall, on demand of the bureau, be the duty of the sheriff of any county of this state, and of the police department of any municipal corporation therein, to furnish the bureau with deputies, patrolmen, or officers as may be necessary to assist the bureau in making and enforcing that seizure.

7614.2. Immediately after effecting a seizure pursuant to Section 7613.10, the bureau shall institute a proceeding as provided for in Section 7613.9.

7614.3. Notwithstanding any other law, the bureau shall be the custodian of all moneys collected or surrendered pursuant to Sections 7613.9 and 7613.10. As custodian, the bureau may deposit those moneys, or any part thereof, without court approval, in any of the following: a bank or trust company legally authorized and empowered by the state to act as a trustee in the handling of trust funds; in a centralized State Treasury system bank account; or in funds administered by the State Treasurer.

7614.4. The bureau shall maintain, regulate, operate, and control the property situated in the County of Amador, referred to as the Elkin Property in Judicial Council Coordination Proceedings Nos. 1814 and 1817, Order Re Proposed Neptune Memorial, Disposition of the Elkin Property, and Order Re Final Disposition of Ashes of the Sacramento Superior Court, and legally described as "Parcel 16-B as shown on the certain Record or Survey for Eugene S. Lowrance, et ux, filed for record May 17, 1971, in Book 17 of Maps and Plats at page 87, Amador County Records." The bureau shall

administer and supervise endowment funds established by the court for the property. The bureau shall exercise the authority granted by this section for the sole purpose of protecting the human remains resting on the property and preserving the property in its natural state.

7614.5. The bureau is authorized to bring action to enforce the provisions of the law subject to its jurisdiction, in which actions it shall be represented by the Attorney General.

7614.6. The bureau shall enforce and administer Part 1 (commencing with Section 8100), Part 3 (commencing with Section 8250), and Part 5 (commencing with Section 9501) of Division 8 of the Health and Safety Code.

7614.7. In any report to the bureau, all bonds, debentures, or other evidences of debt held by a cemetery corporation if amply secured and if not in default as to principal or interest may be valued as follows:

(a) If purchased at par at the par value.

(b) If purchased above or below par on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield the effective rate of interest on the basis at which the purchase was made.

(c) In such valuation, the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase.

7614.8. Any security or other evidence of debt if in default as to principal or interest or if not amply secured shall not be valued as an asset of the endowment care fund above its market value.

7614.9. Notwithstanding any other law, every cemetery authority shall present to the survivor of the deceased who is handling the burial or cremation arrangements or the responsible party a copy of any preneed agreement that has been signed and paid in full, or in part, by or on behalf of the deceased and is in the possession of the cemetery authority. The copy may be presented in person, by certified mail, or by facsimile transmission, as agreed upon by the survivor of the deceased or the responsible party. A cemetery authority who knowingly fails to present the preneed agreement to the survivor of the deceased or the responsible party shall be liable for a civil fine equal to three times the cost of the preneed agreement, or one thousand dollars (\$1,000), whichever is greater.

SEC. 14. Section 7619.2 of the Business and Professions Code is repealed.

SEC. 15. Section 7620 of the Business and Professions Code is repealed.

SEC. 16. Section 7621 of the Business and Professions Code is repealed.

SEC. 17. Section 7622.2 of the Business and Professions Code is amended to read:

7622.2. A person shall not open or maintain a place or establishment at which to engage in or conduct, or hold himself, herself, or itself out as engaging in or conducting, the activities of a funeral director without a license.

SEC. 18. Article 2.5 (commencing with Section 7637) is added to Chapter 12 of Division 3 of the Business and Professions Code, to read:

Article 2.5. Cemetery Brokerage Regulations

7637. This article does not apply to the following cases or to the following persons:

(a) A person acting with reference to an occasional sale of his or her own property.

(b) The regular officers of a cemetery corporation holding a certificate of authority acting with reference to the corporation's property when they receive no special compensation therefor.

(c) Persons making an occasional sale under a duly executed power of attorney from others.

(d) The services rendered by an attorney at law in performing his or her duties in that capacity.

(e) A receiver, trustee in bankruptcy, any person acting under orders of any court, or a trustee selling under a deed of trust.

(f) A real estate broker or real estate salesperson, acting in that capacity in connection with the sale, lease, or exchange of real property, or interest therein, when the transfer of cemetery property is purely incidental to the sale, lease, or exchange of real property.

7637.1. A person shall not engage in the business of, act in the capacity of, or advertise or assume to act as, a cemetery broker or cemetery salesperson in this state without first obtaining a license from the bureau.

7637.2. Any act other than an occasional sale of buying or selling, leasing, or exchanging cemetery property or interment services of or for another or on his or her own account, or offering for another or for his or her own account to buy or sell, lease, or exchange cemetery property or interment services, or negotiating the purchase or sale, lease, or exchange of cemetery property or interment services, or negotiating the purchase or sale, lease, or exchange, or listing or soliciting, or negotiating a loan on or leasing of cemetery property or interment services constitutes the person making such offer, sale or purchase, lease, or exchange, or negotiating the loan, or listing or soliciting, a cemetery broker or cemetery salesperson.

7637.3. A person engaged in the business or acting in the capacity of a cemetery broker or a cemetery salesperson within this state shall not bring or maintain any action in the courts of this state for the collection of compensation for the performance of any of the acts mentioned in this article without alleging and proving that he or she was a duly licensed cemetery broker or cemetery salesperson at the time the alleged cause of action arose.

7637.4. (a) A cemetery broker shall not employ or compensate, directly or indirectly, any person for performing any of the acts within the scope of this article who is not a licensed cemetery broker, or a cemetery salesperson licensed under the cemetery broker employing or compensating him or her. A cemetery salesperson shall not be employed by or accept compensation from any person other than the cemetery broker under whom he or she is at the time licensed.

(b) A salesperson shall not pay any compensation for performing any of the acts within the scope of this article to any licensee except through the cemetery broker under whom he or she is at the time licensed.

(c) For a violation of any of the provisions of this section, the bureau may temporarily suspend or permanently revoke the license of the cemetery licensee in accordance with the provisions of this act relating to disciplinary proceedings.

7637.5. (a) It is a misdemeanor, punishable by a fine not exceeding one hundred dollars (\$100) for each offense, for any person, whether obligor, escrowholder, or otherwise, to pay or deliver to anyone a compensation for performing any of the acts within the scope of this article who is not known to be or who does not present evidence to such payer that he or she is a licensed cemetery broker at the time compensation is earned.

(b) For violation of any of the provisions of this section, the bureau may temporarily suspend or permanently revoke the license of the cemetery licensee in accordance with the provisions of this act relating to disciplinary proceedings.

7637.6. Any person acting as a cemetery broker or cemetery salesperson without a license, or who advertises so as to indicate he or she is a cemetery broker without being so licensed, is guilty of a misdemeanor. If that person is a corporation, it shall be punished by a fine not to exceed five thousand dollars (\$5,000).

7637.7. (a) Any cemetery salesperson or cemetery broker who sells, causes to be sold, or offers for sale any cemetery property upon the promise, guarantee, or representation to the purchaser that the same may be resold or repurchased at a financial profit is guilty of a misdemeanor.

(b) For violation of any of the provisions of this section, the bureau may temporarily suspend or permanently revoke the license of the cemetery salesperson or cemetery broker in accordance with the provisions of this act relating to disciplinary proceedings.

(c) No violation of any of the provisions of this section by any cemetery salesperson or employee of any licensed cemetery broker shall cause the suspension or revocation of the license of the employer of the salesperson or employee unless it appears upon a hearing by the bureau that the employer had guilty knowledge of the violation.

7637.8. Every officer, agent, or employee of any company, and every other person who knowingly authorizes, directs, or aids in the publication, advertisement, distribution, or circulation of any false statement or representation concerning any cemetery or cemetery brokerage business and every person who, with knowledge that any advertisement, pamphlet, prospectus, or letter concerning any cemetery brokerage business or any written statement that is false or fraudulent, issues, circulates, publishes, or distributes the same, or causes it to be issued, circulated, published, or distributed, or who in any other respect willfully violates or fails, omits, or neglects to obey, observe, or comply with any order, permit, decision, demand, or requirement of the bureau under the provisions of this act relating to cemetery brokerage, is guilty of a misdemeanor, and, if a cemetery

licensee, he or she shall be held to trial by the bureau for a suspension or revocation of his or her cemetery license, as provided in the provisions of this act relating to disciplinary proceedings.

7637.9. Each cemetery broker, other than a cemetery corporation holding a certificate of authority, and each cemetery salesperson shall include in any advertising a statement that he or she is acting as a cemetery broker or cemetery salesperson.

7637.10. For violation of any of the provisions of Section 7637.9, the bureau may temporarily suspend or permanently revoke the license of the cemetery licensee in accordance with the provisions of this act relating to disciplinary proceedings.

7638. Any person, other than a person making an occasional sale, who advertises cemetery property for sale or exchange, without being duly licensed as a cemetery broker or a cemetery salesperson, or without possessing a certificate of authority as a cemetery corporation, is guilty of a misdemeanor. If such person is a corporation, it shall be punished by a fine of not to exceed five thousand dollars (\$5,000).

SEC. 19. Article 3.5 (commencing with Section 7651) is added to Chapter 12 of Division 3 of the Business and Professions Code, to read:

#### Article 3.5. Licenses and Certificates of Authority

7651. Application for license as a cemetery broker shall be made in writing on the form prescribed by the bureau and filed at the principal office of the bureau. The application shall be accompanied by the original cemetery broker's license fee.

7651.1. The bureau shall not grant an original cemetery broker's license to any person who is not a resident of this state. Change of residence to another state shall terminate the license.

7651.2. The bureau shall not grant an original cemetery broker's license to any person who has not held a cemetery salesperson's license for at least two years prior to the date of his or her application for the broker's license, and during that time was not actively engaged in the business of a cemetery salesperson except that if an applicant for a cemetery broker's license having at least the equivalent of two years' general cemetery experience files a written petition with the bureau setting forth his or her qualifications and experience and the bureau approves, he or she may be issued a cemetery broker's license immediately upon passing the appropriate examinations and satisfying the other requirements of this article.

7651.3. Application for license as a cemetery salesperson shall be made in writing on the form prescribed by the bureau and filed at the principal office of the bureau. The application shall be signed by the applicant, and shall be accompanied by the cemetery salesperson's license fee.

7651.4. Notwithstanding any other provision of this chapter, Section 7651.7 does not apply to an applicant for a cemetery salesperson's license.

7651.5. The bureau shall investigate the qualifications of the applicants. Except as otherwise prescribed in this article, it may issue the license applied for to an applicant on a showing satisfactory to it that the following facts exist:

- (a) The applicant is properly qualified to perform the duties of a cemetery broker or salesperson.
- (b) Granting the license will not be against public interest.
- (c) The applicant intends actively and in good faith to carry on the business of a cemetery broker or a cemetery salesperson.
- (d) In the case of a corporate applicant, the articles of incorporation permit it to act as a cemetery broker.
- (e) In the case of an association or copartnership applying for such a license, its articles of association or agreement of partnership authorize it to act as a cemetery broker.
- (f) The license is not being secured for the purpose of permitting the applicant to advertise as a cemetery broker or salesperson without actually engaging in such business.
- (g) The applicant has not committed acts or crimes constituting grounds for denial of licensure under Section 480.

7651.6. All cemetery brokers who do not possess a certificate of authority shall, in addition to the requirements of this chapter, file with the bureau a satisfactory bond to the people of the State of California, duly executed by a sufficient surety or sureties to be approved by the bureau, in the amount of ten thousand dollars (\$10,000). That bond shall be conditioned for the honest and faithful performance by such broker and his or her salespersons and employees of any undertaking as a licensed cemetery broker or salesperson or employee of said broker at any time when licensed under this chapter, and the strict compliance with the provisions of this chapter and of Division 8 (commencing with Section 8100) of the Health and Safety Code, relating to cemeteries, and the honest and faithful application of all funds received. That bond shall be further conditioned upon the payment of all damages suffered by any person damaged or defrauded by reason of the violation of any of the provisions of this chapter or of Division 8 (commencing with Section 8100) of the Health and Safety Code relating to cemeteries, or by reason of the violation of the obligation of such broker as an agent, as such obligations are laid down by the Civil Code, or by reason of any fraud connected with or growing out of any transactions contemplated by this chapter or Division 8 (commencing with Section 8100) of the Health and Safety Code.

7651.7. The bureau shall ascertain by written examination that the applicant, and, in case of a copartnership or corporation applicant for a cemetery broker's license, that each officer, agent, or member thereof through whom it proposes to act as a cemetery licensee has:

- (a) Appropriate knowledge of the English language, including reading, writing, and spelling, and of elementary arithmetic.
- (b) A fair understanding of:
  - (1) Cemetery associations, cemetery corporations, and duties of directors.

(2) Plot ownership, deeds, certificates of ownership, contracts of sale, liens, and leases.

(3) Establishing, dedicating, maintaining, managing, operating, improving, and conducting a cemetery.

(4) The care, preservation, and embellishment of cemetery property.

(5) The care and preservation of endowment care funds, trust funds, and the investment thereof.

(c) A general and fair understanding of the obligations between principal and agent, of the principles of cemetery brokerage practice and the business ethics pertaining thereto, as well as of the provisions of this act relating to cemetery brokerage.

7651.8. The bureau may, in its discretion, waive the examination of any applicant for a cemetery broker's license who held an unrevoked or unsuspended cemetery license on June 30 of the preceding fiscal year as an individual broker, an officer of a corporation, or member of a copartnership.

7651.9. An application on the form prescribed by the bureau for the renewal of any unrevoked and unsuspended license filed before midnight of June 30 of the year for which such unrevoked and unsuspended license was issued, accompanied by the applicable renewal fee, entitles the applicant to continue operating under his or her existing license after its usual expiration date, if not previously suspended or revoked, and until such date as he or she is notified in writing that the application has been granted or denied.

7651.10. A cemetery license does not give authority to do any act specified in this act to any person other than the person to whom the license is issued.

7652. When a cemetery brokerage license is issued to a cemetery brokerage corporation, if it desires any of its officers other than the officer through whom it is already licensed to act under its license as a cemetery broker, it shall procure an additional license for each such officer. When a cemetery brokerage license is granted to cemetery brokerage copartnership, if it desires any of its members other than the one through whom it is already licensed to act as a cemetery broker, it shall procure an additional license for each such member.

7652.1. Each officer of a corporation through whom it is licensed to act as a cemetery broker, and each member of a copartnership through whom it is licensed to act as a cemetery broker, is, while so employed under such license, a licensed cemetery broker, but licensed only to act as such for and on behalf of the corporation or the copartnership, as officer or member, respectively.

7652.2. The cemetery licenses of both broker and salesperson shall be prominently displayed in the office of the broker.

The cemetery salesperson's license shall remain in the possession of the licensed cemetery broker employer until canceled or until the salesperson leaves the employ of the broker.

7652.3. Immediately upon the salesperson's withdrawal from the employ of the broker, the broker shall return the salesperson's license to the bureau

for cancellation. A license canceled but not suspended or revoked may be reinstated within the fiscal year upon receipt of application therefor and the fee for the reinstatement of the license.

7652.4. (a) Every licensed cemetery broker shall have and maintain a definite place of business in this state which shall serve as his or her office for the transaction of business.

(b) No cemetery license authorizes the licensee to do business except from the location for which the cemetery license was issued.

(c) Notice in writing shall be given the bureau of change of business location of a cemetery broker, whereupon the bureau shall issue a new cemetery license for the unexpired period. The change or abandonment of business location without notification to the bureau shall automatically cancel the license theretofore issued.

7652.5. (a) If the applicant for a cemetery broker's license maintains more than one place of business within the state, he or she shall apply for and procure an additional license for each branch office so maintained. Every such application shall state the name of the person and the location of the place of business for which such license is desired.

(b) The bureau may determine whether or not a broker is doing a cemetery brokerage business at or from any particular location which requires him or her to have a branch office license.

7652.6. Each cemetery broker shall erect and maintain a sign in a conspicuous place on the premises to indicate that he or she is a licensed cemetery broker and his or her name shall be clearly shown thereon. The size and place of the sign shall conform to regulations that may be adopted by the bureau.

7652.7. For a violation of any of the provisions of Sections 7652.2, 7652.3, 7652.4, and 7652.6, the bureau may temporarily suspend or permanently revoke the license of the cemetery licensee in accordance with the provisions of this act relating to disciplinary proceedings.

7652.8. Application for a certificate of authority shall be made in writing on the form prescribed by the bureau and filed at the principal office of the bureau. The application shall be accompanied by the fee provided for in this act and shall show that the cemetery authority owns or is actively operating a cemetery in this state which is subject to the provisions of the act or that the applicant is in a position to commence operating a cemetery.

7652.9. Each cemetery for which a certificate of authority is required shall be operated under the supervision of a manager who is qualified in accordance with the regulations adopted by the bureau. Each cemetery manager shall be required to successfully pass a written examination evidencing an understanding of the applicable provisions of this code and of the Health and Safety Code. A person shall not engage in the business of, act in the capacity of, or advertise or assume to act as, a cemetery manager without first obtaining a license from the bureau.

7652.10. The bureau may require such proof as it deems advisable concerning the compliance by such applicant to all the laws, rules, regulations, ordinances and orders applicable.

7653. (a) The bureau shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for certificates of authority. In reviewing an application for a certificate of authority, the bureau may consider acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a certificate of authority under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a certificate of authority, the bureau may cause an investigation to be made of the physical status, plans, specifications, and financing of the proposed cemetery, and any other qualifications required of the applicant under this act, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

(c) At the time of the filing of the application required by this section, the applicant shall pay to the Cemetery Fund the sum fixed by the bureau at not in excess of four hundred dollars (\$400) to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall within five days after request therefor deposit an additional sum sufficient to defray such expenses, provided that the total sum shall not exceed nine hundred dollars (\$900).

(d) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

7653. (a) The bureau shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for certificates of authority. In reviewing an application for a certificate of authority, the bureau may consider acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a certificate of authority under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a certificate of authority, the bureau may cause an investigation to be made of the physical status, plans, specifications, and financing of the proposed cemetery, and any other qualifications required of the applicant under this act, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

(c) At the time of the filing of the application required by this section, the applicant shall pay to the Cemetery and Funeral Fund the sum fixed by the bureau at not in excess of four hundred dollars (\$400) to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall, within five days after request, deposit an additional sum sufficient to defray those expenses, provided that the total sum shall not exceed nine hundred dollars (\$900).

(d) This section shall become operative on July 1, 2016.

7653.1. (a) The bureau may, in accordance with its rules and regulations, authorize interments in cemeteries for which there is no currently valid certificate of authority outstanding if the bureau finds that rights to interment therein will otherwise be impaired. However, nothing in this section authorizes sales of lots, vaults, or niches by cemeteries for which there is

no currently valid certificate of authority. Interments permitted under this section shall be conducted by persons authorized by the bureau in accordance with its regulations, and Section 7731.2 shall not be applicable to such interments.

(b) The bureau or its representative shall be entitled to inspect and copy any cemetery records necessary to the performance of interments under this section, and any person having custody of those records shall permit inspection and copying thereof for that purpose. The bureau may apply to the superior court for the county in which the cemetery is located for an order temporarily transferring custody of cemetery records to it for purposes of this section.

7653.2. The bureau shall inspect the books, records, and premises of any crematory licensed under this chapter. In making those inspections, the bureau shall have access to all books and records, the crematory building, the cremation chambers or furnaces, and the storage areas for human remains before and after cremation, during regular office hours or the hours the crematory is in operation. No prior notification of the inspection is required to be given to the crematory licensee. If any crematory licensee fails to allow that inspection or any part thereof, it shall be grounds for the suspension or revocation of a license or other disciplinary action against the licensee. All proceedings under this section shall be conducted in accordance with the provisions of this chapter relating to disciplinary proceedings.

7653.3. The bureau shall annually conduct a minimum of one unannounced inspection of each licensed crematory.

7653.4. The bureau shall inspect the books, records, and premises of any cemetery where a certificate of authority is required under this chapter. In making the inspections, the bureau shall have access to all books and records, buildings, mausoleums, columbariums, storage areas, including storage areas for human remains, during regular office hours or the hours the cemetery is in operation. No prior notification of the inspection is required to be given to the holder of the certificate of authority. If any certificate holder fails to allow the inspection or any part thereof, disciplinary action, including, but not limited to, revocation or suspension may be taken against the certificate of authority. All disciplinary proceedings shall be conducted in accordance with this chapter.

7653.5. The bureau shall annually conduct a minimum of one unannounced inspection of each cemetery for which a certificate of authority is required.

7653.6. A cemetery licensed under this chapter shall at all times employ a licensed cemetery manager to manage, supervise, and direct its operations. Notwithstanding any other provision of this chapter, licensed cemeteries within close geographical proximity of each other may request the bureau to allow a licensed cemetery manager to manage, supervise, and direct the business or profession of more than one facility.

(a) Every cemetery shall designate a licensed cemetery manager to manage the cemetery, and shall report the designation to the bureau within

10 days of the effective date. Any change in the designated manager shall be reported to the bureau within 10 days.

(b) The designated cemetery manager shall be responsible for exercising direct supervision and control over the operations, employees, and agents of the cemetery as is necessary to ensure full compliance with the applicable provisions of this code, the Health and Safety Code, and any regulations adopted thereto. Failure of the designated cemetery manager or the licensed cemetery to exercise that supervision or control shall constitute a ground for disciplinary action.

(c) A cemetery may employ, in addition to the designated cemetery manager, additional licensed cemetery managers. However, only one licensed cemetery manager may be appointed as the designated cemetery manager of the cemetery.

7653.7. (a) Application for a cemetery manager license shall be made in writing on the form provided by the bureau, verified by the applicant, and filed at the principal office of the bureau. The application shall be accompanied by the fee fixed by this chapter.

(b) The applicant for a cemetery manager license shall be at least 18 years of age, possess a high school diploma or its equivalent, shall not have committed acts or crimes constituting grounds for denial of licensure under Section 480, shall demonstrate compliance with the training and experience requirements established by the bureau, and shall be a resident of this state.

(c) The bureau shall grant a cemetery manager license to any applicant who meets the requirements of this chapter and who has successfully passed the cemetery manager examination administered by the bureau.

7653.8. (a) A person shall not engage in or conduct, or hold himself or herself out as engaging in or conducting, the activities of a cemetery manager without holding a valid, unexpired cemetery manager license issued by the bureau.

(b) A licensed cemetery manager shall not engage in or conduct, or hold himself or herself out as engaging in or conducting, the activities of a cemetery manager without being employed by, or without being a corporate officer of a licensed cemetery.

7653.9. (a) Notwithstanding any other law, based upon a finding by a court of competent jurisdiction that a cemetery manager of a private cemetery has ceased to perform his or her duties, as described in subdivision (a) of Section 7611.4, due to a lapse, suspension, surrender, abandonment, or revocation of his or her license, the court may appoint a temporary manager to manage the cemetery property and to service the prepaid interments of the private cemetery. The court shall appoint a licensed cemetery manager as the temporary manager.

(b) The appointed temporary manager shall have the same powers over the care and maintenance of the private cemetery as a licensed cemetery manager, as described in subdivision (a) of Section 7611.4. The temporary manager shall serve for a limited term not to exceed six months, or until a new licensed manager has been hired, at which time the court shall terminate the appointment of the temporary manager.

(c) The court may authorize the payment of reasonable compensation for the temporary manager's services, which shall be paid by the trustees from available income from the cemetery. In exercising its discretion pursuant to this subdivision, the court shall give due consideration to the ability of the cemetery income to otherwise pay for care and maintenance of the cemetery.

SEC. 20. Article 4.5 (commencing with Section 7672) is added to Chapter 12 of Division 3 of the Business and Professions Code, to read:

Article 4.5. Cremated Remains Disposer

7672. A person shall not dispose of or offer to dispose of any cremated human remains unless registered as a cremated remains disposer by the bureau. This article shall not apply to any person, partnership, or corporation holding a certificate of authority as a cemetery, crematory license, cemetery broker's license, cemetery salesperson's license, or funeral director's license, nor shall this article apply to any person having the right to control the disposition of the cremated remains of any person or that person's designee if the person does not dispose of or offer to dispose of more than 10 cremated human remains within any calendar year.

7672.1. (a) Registration shall be on the form prescribed by the bureau and shall include, but not be limited to, the full name of the registrant, business and residence addresses, description and identification of aircraft or boats which may be used in dispensing cremated human remains, and the area to be served. Each registration application shall be accompanied by the cremated remains disposer fee.

(b) Every registered cremated remains disposer who dispenses human remains by air shall post a copy of his or her current pilot's license, and the address of the cremated remains storage area at his or her place of business. Every registered cremated remains disposer who dispenses human remains by boat shall post a copy of his or her current boating license and the address of the cremated remains storage area at his or her place of business.

7672.2. The bureau shall prepare and deliver to each registered cremated remains disposer a booklet that includes, but is not limited to, the following information: details about the registration and renewal requirements for cremated remains disposers; requirements for obtaining state permits to dispose of cremated human remains; state storage requirements, if any; statutory duties pursuant to this article, and other applicable state laws.

7672.3. All aircraft used for the scattering of cremated human remains shall be validly certified by the Federal Aviation Administration. All boats or vessels used for the scattering of cremated human remains shall be registered with the Department of Motor Vehicles or documented by a federal agency, as appropriate. The certification or registration shall be available for inspection by the bureau.

7672.4. A cremated remains disposer who scatters any cremated human remains without specific written instructions from the person having the

right to control the disposition of the remains or who scatters any remains in a manner not in accordance with those instructions shall be subject to disciplinary action.

7672.5. Each cremated remains disposer shall provide the person with the right to control the disposition of the remains under Section 7100 of the Health and Safety Code with a copy of the completed permit for disposition of human remains pursuant to Chapter 8 (commencing with Section 103050) of Part 1 of Division 102 of the Health and Safety Code within 30 days of the date of the scattering.

7672.6. (a) Every cremated remains disposer shall do both of the following:

(1) Dispose of cremated remains within 60 days of the receipt of those remains, unless a written signed reason for a delay is presented to the person with the right to control the disposition of the remains under Section 7100 of the Health and Safety Code.

(2) Provide the bureau with the address and telephone number of any storage facility being used by the registrant to store cremated remains. Cremated remains shall be stored in a place free from exposure to the elements, and shall be responsibly maintained until disposal. The bureau and its representatives shall conduct, on an annual basis, random inspections of the operations of 5 to 10 percent of the registered cremated remains disposers, and is authorized to inspect any place used by a cremated remains disposer for the storage of cremated remains without notice to the cremated remains disposer.

(b) A violation of the requirements of this section is grounds for disciplinary action.

7672.7. (a) Each cremated remains disposer shall file, and thereafter maintain an updated copy of, an annual report on a form prescribed by the bureau. The report shall include, but not be limited to, the names of the deceased persons whose cremated remains were disposed of, the dates of receipt of the cremated remains, the names and addresses of the persons who authorized disposal of those remains, the dates and locations of disposal of those remains, and the means and manner of disposition. The report shall cover the fiscal year ending on June 30 and shall be filed with the bureau no later than September 30 of each year.

(b) Any cremated remains disposer that makes a willful and material false statement regarding the disposal of cremated remains in the annual report filed or updated pursuant to subdivision (a) shall be subject to disciplinary action.

(c) Any cremated remains disposer that makes a willful and material false statement in the annual report filed or updated pursuant to subdivision (a) shall be guilty of a misdemeanor.

7672.8. All cremated remains disposer registrations shall expire at midnight on September 30 of each year. A person desiring to renew his or her registration shall file an application for renewal on a form prescribed by the bureau accompanied by the required fee. A registration that has expired may be renewed within five years of its expiration upon payment

of all accrued and unpaid renewal fees. The bureau shall not renew the registration of any person who has not filed the required annual report until he or she has filed a complete annual report with the department.

7672.9. If a person fails to apply for renewal of his or her cremated remains disposer registration prior to midnight of September 30 of the year for which the registration was issued, no renewal shall be issued except upon payment of the delinquent renewal fee required under Section 7729.2.

7672.10. Any person who scatters cremated human remains without a valid registration and who is not otherwise exempt from this article shall be guilty of a misdemeanor. The remains of each person scattered shall constitute a separate violation.

7673. Any person who scatters any cremated human remains without specific written instructions from the person having the right to control the disposition of the remains or who scatters any remains in a manner not in accordance with those instructions shall be guilty of a misdemeanor.

7673.1. Any cremated remains disposer who stores cremated remains in a reckless manner that results in either of the following is guilty of a public offense punishable by imprisonment in a county jail not exceeding one year or by a fine not to exceed five thousand dollars (\$5,000), or by both that fine and imprisonment:

- (a) Loss of all or part of the cremated remains.
- (b) Inability to individually identify the cremated remains.

7673.2. A cremated remains disposer shall be subject to and shall be disciplined by the bureau in accordance with Article 6 (commencing with Section 7686). Any violation of this article shall also be grounds for disciplinary action.

SEC. 21. Section 7685.3 of the Business and Professions Code is amended to read:

7685.3. The current address, telephone number, and name of the Department of Consumer Affairs, Cemetery and Funeral Bureau shall appear on the first page of any contract for goods and services offered by a licensee. At a minimum, the information shall be in 8-point boldface type and make this statement:

“FOR MORE INFORMATION ON FUNERAL, CEMETERY, AND CREMATION MATTERS, CONTACT: DEPARTMENT OF CONSUMER AFFAIRS, CEMETERY AND FUNERAL BUREAU (ADDRESS), (TELEPHONE NUMBER).”

SEC. 22. Section 7685.5 of the Business and Professions Code is amended to read:

7685.5. (a) The bureau shall make available to funeral establishments and cemetery authorities a copy of a consumer guide for funeral and cemetery purchases for purposes of reproduction and distribution. The funeral and cemetery guide that is approved by the bureau, in consultation with the funeral and cemetery industries and any other interested parties,

shall be made available in printed form and electronically through the Internet.

(b) A licensee shall prominently display and make available to any individual who, in person, inquires about funeral or cemetery purchases, a copy of the consumer guide for funeral and cemetery purchases, reproduced as specified in subdivision (a).

(c) Prior to the drafting of a contract for services, the licensee shall provide, for retention, the consumer with a copy of the consumer guide for funeral and cemetery purchases described in subdivisions (a) and (b).

SEC. 23. Section 7711.1 is added to the Business and Professions Code, to read:

7711.1. Unprofessional conduct by any licensee or registrant or by any agent or employee of a licensee or registrant constitutes grounds for disciplinary action. Unprofessional conduct includes, but is not limited to, the following:

(a) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of this chapter and any regulation adopted thereunder, or of any federal or state law or regulation governing the disposition of human remains, operation of cemeteries or crematories, the sale of cemetery property, or the sale of crematory services or commodities.

(b) Negligence in performing any act related to the operation of a cemetery or crematory.

SEC. 24. Section 7711.2 is added to the Business and Professions Code, to read:

7711.2. The bureau may, upon its own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a cemetery licensee, and may temporarily suspend or permanently revoke a license at any time where the licensee, within the immediately preceding three years, while a cemetery licensee in performing or attempting to perform any of the acts specified in this act, has been guilty of any of the following:

(a) Making any substantial misrepresentation.

(b) Making any false statement of a character likely to influence or persuade.

(c) A continued and flagrant course of misrepresentation or making of false promises through cemetery agents or salespersons.

(d) Acting for more than one party in a transaction without the knowledge or consent of all parties thereto.

(e) Commingling the money or other property of his or her principal with his or her own.

(f) The practice of claiming or demanding a fee, compensation, or commission under any exclusive agreement authorizing or employing a licensee to sell, buy, or exchange cemetery property for compensation or commission where such agreement does not contain a definite, specified date of final and complete termination.

(g) The claiming or taking by a licensee of any secret or undisclosed amount of compensation, commission, or profit or the failure of a licensee

to reveal to the employer of such licensee the full amount of such licensee's compensation, commission, or profit under any agreement authorizing or employing such licensee to sell, buy, or exchange cemetery property for compensation or commission prior to or coincident with the signing of such agreement evidencing the meeting of the minds of the contracting parties, regardless of the form of such agreement, whether evidenced by documents in an escrow or by any other or different procedure.

(h) The use by a licensee of any provision allowing the licensee an option to purchase in an agreement authorizing or employing such licensee to sell, buy, or exchange cemetery property for compensation or commission, except when such licensee prior to or coincident with election to exercise such option to purchase reveals in writing to the employer the full amount of the licensee's profit and obtains the written consent of the employer approving the amount of such profit.

(i) Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.

(j) The misrepresentations and false statements mentioned in this section also include misrepresentation and false statements as to other property than that which the cemetery licensee may be selling or attempting to sell.

SEC. 25. Section 7711.3 is added to the Business and Professions Code, to read:

7711.3. The bureau may suspend or revoke the license of any cemetery licensee who, within the immediately preceding three years, has done any of the following:

(a) Been convicted of a crime substantially related to the qualifications, functions, and duties of such licensee. The record of conviction, or a certified copy thereof, shall be conclusive evidence of such conviction.

(b) Knowingly authorized, directed, connived at, or aided in the publication, advertisement, distribution, or circulation of any material false statement or representation concerning his or her business or any cemetery property offered for sale.

(c) Willfully disregarded or violated any of the provisions of this act relating to cemetery brokerage.

(d) Acted or conducted himself or herself in a manner which would have warranted the denial of his or her application for a cemetery license, or for a renewal thereof.

SEC. 26. Section 7711.4 is added to the Business and Professions Code, to read:

7711.4. When any salesperson is discharged by his or her employer for a violation of any of the provisions of this article prescribing a ground for disciplinary action, a verified written statement of the facts with reference thereto shall be filed forthwith with the bureau by the employer and, if the employer fails to notify the bureau as required by this section, the bureau may temporarily suspend or permanently revoke the cemetery license of the employer in accordance with the provisions of this act.

SEC. 27. Section 7711.5 is added to the Business and Professions Code, to read:

7711.5. The bureau may deny, suspend, or revoke the cemetery license of a corporation as to any officer or agent acting under its cemetery license, and the cemetery license of a copartnership as to any member acting under its cemetery license, without revoking the cemetery license of the corporation or of the copartnership.

SEC. 28. Section 7711.6 is added to the Business and Professions Code, to read:

7711.6. The fees for cemetery licenses at all periods of the fiscal year is the same as provided in this article. All cemetery license fees are payable in advance of issuing the licenses and at the time of filing the application. All licenses shall be issued for the fiscal year and shall expire on June 30 of each fiscal year at midnight.

SEC. 29. Section 7711.7 is added to the Business and Professions Code, to read:

7711.7. (a) If a person fails to apply for a license renewal, no renewal license shall be issued except upon payment of the delinquent renewal fee required under Section 7729.2.

(b) A person who fails to renew his or her license within one year of the expiration date shall not engage in any of the activities authorized by a license unless he or she first files the application required for an original license, pays the original license fee, and otherwise complies with all of the provisions of this act pertaining to the issuance of an original license.

SEC. 30. Section 7711.8 is added to the Business and Professions Code, to read:

7711.8. The definitions contained in this article are solely for the purposes of this article.

SEC. 31. Section 7711.9 is added to the Business and Professions Code, to read:

7711.9. An original cemetery broker's license is a cemetery license issued to a person who did not have a cemetery broker's license on June 30 of the fiscal year previous to the fiscal year for which the license is issued.

SEC. 32. Section 7711.10 is added to the Business and Professions Code, to read:

7711.10. A renewal cemetery broker's license is a cemetery license issued to a person who had a cemetery broker's license unrevoked and unsuspended on June 30 of the fiscal year previous to the fiscal year for which the renewal cemetery license is issued.

SEC. 33. Section 7711.11 is added to the Business and Professions Code, to read:

7711.11. An original cemetery salesperson's license is a cemetery license issued to a person who did not have a cemetery salesperson's or a broker's license either individually or as an officer of a corporation, or as a member of a copartnership, on June 30 of the fiscal year previous to the fiscal year for which the salesperson's license is issued.

SEC. 34. Section 7711.12 is added to the Business and Professions Code, to read:

7711.12. A renewal cemetery salesperson's license is a cemetery license issued to a person who had a cemetery salesperson's or a broker's license either individually or as an officer of a corporation, or as a member of a copartnership, on June 30 of the fiscal year previous to the fiscal year for which the salesperson's license is issued.

SEC. 35. Article 6.5 (commencing with Section 7712) is added to Chapter 12 of Division 3 of the Business and Professions Code, to read:

#### Article 6.5. Crematories

7712. A crematory established, operated, or maintained, may be operated by a corporation, partnership, or natural person, provided that a valid crematory license shall have been issued by the bureau.

7712.1. Any change in the ownership of a crematory shall be reported to the bureau. Any transfer in a single transaction or a related series of transactions of more than 50 percent of the equitable interest in a licensed crematory shall constitute a change of ownership. When a change of ownership in a crematory occurs, the existing crematory license shall lapse and the new owner shall obtain a new license from the bureau as otherwise provided in this act. The bureau shall not require an applicant under this section to obtain any new permit or license from any other governmental agency when the existing permit or license is valid.

7712.2. Application for a crematory license shall be made in writing on the form prescribed by the bureau and filed at the principal office of the bureau. The application shall be accompanied by the fee provided for in this article and shall show that the applicant owns or is actively operating a crematory in this state or that the applicant is in a position to commence operating such a crematory.

7712.3. The provisions of Article 5 (commencing with Section 8341) of Chapter 2 of Part 3 of Division 8 of the Health and Safety Code shall apply to crematories licensed under this chapter.

7712.4. The bureau may require such proof as it deems advisable concerning the compliance by such applicant with all the laws, rules, regulations, ordinances, and orders applicable to the applicant and shall not issue such crematory license until it has satisfied itself that the public interest will be served by such applicant.

7712.5. (a) The bureau shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for a crematory license. In reviewing an application for a crematory license, the bureau may consider acts of the applicant, including acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a crematory license under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a crematory license, the bureau may cause an investigation to be made of the physical status, plans, specifications, and financing of the proposed crematory, the character of

the applicant, including, if applicable, its officers, directors, shareholders, or members, and any other qualifications required of the applicant under this article, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

(c) At the time of the filing of the application required by this article, the applicant shall pay to the Cemetery Fund the sum fixed by the bureau at not in excess of four hundred dollars (\$400) to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall within five days after request therefor deposit an additional sum sufficient to defray such expenses, provided that the total sum shall not exceed nine hundred dollars (\$900).

(d) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

7712.5. (a) The bureau shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for a crematory license. In reviewing an application for a crematory license, the bureau may consider acts of the applicant, including acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a crematory license under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a crematory license, the bureau may cause an investigation to be made of the physical status, plans, specifications, and financing of the proposed crematory, the character of the applicant, including, if applicable, its officers, directors, shareholders, or members, and any other qualifications required of the applicant under this article, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

(c) At the time of the filing of the application required by this article, the applicant shall pay to the Cemetery and Funeral Fund the sum fixed by the bureau at not in excess of four hundred dollars (\$400) to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall, within five days after request therefor, deposit an additional sum sufficient to defray such expenses, provided that the total sum shall not exceed nine hundred dollars (\$900).

(d) This section shall become operative on July 1, 2016.

7712.6. A crematory licensee under this article shall not conduct any cremations:

(a) Unless the licensee has a written contract with the person or persons entitled to custody of the remains clearly stating the location, manner, and time of disposition to be made of the remains, agreeing to pay the regular fees of the licensee for cremation, disposition, and other services rendered, and any other contractual provisions as may be required by the bureau.

(b) Of any remains more than 24 hours after delivery of the remains, unless the remains have been preserved in the interim by refrigeration or embalming.

(c) Unless the licensee has a contractual relationship with a licensed cemetery authority for final disposition of cremated human remains by burial, entombment, or inurnment of any and all remains which are not lawfully disposed of or which are not called for or accepted by the person or persons entitled to the custody and control of the disposition thereof within 90 days of the date of death.

7712.7. Every crematory licensee, who prohibits relatives or the responsible party from viewing the cremation process, shall disclose this fact in writing to the person or persons entitled to custody of the remains prior to the signing of any contract.

7712.8. Each crematory licensee shall keep such records as may be required by the bureau to ensure compliance with all laws relating to the disposition of cremated human remains and shall file annually with the bureau, a report in the form prescribed by the bureau, describing the operations of the licensee, including the number of cremations made, the disposition thereof, and any other information as the bureau may, from time to time, require.

7712.9. (a) Every crematory licensee operating a crematory pursuant to a license issued in compliance with this article shall pay an annual regulatory charge for each crematory, to be fixed by the bureau at not more than four hundred dollars (\$400). In addition to an annual regulatory charge for each crematory, every licensee operating a crematory pursuant to a license issued pursuant to this article shall pay an additional charge to be fixed by the bureau at not more than eight dollars and fifty cents (\$8.50) per cremation made during the preceding quarter, which charges shall be deposited in the Cemetery Fund.

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

7712.9. (a) Every crematory licensee operating a crematory pursuant to a license issued in compliance with this article shall pay an annual regulatory charge for each crematory, to be fixed by the bureau at not more than four hundred dollars (\$400). In addition to an annual regulatory charge for each crematory, every licensee operating a crematory pursuant to a license issued pursuant to this article shall pay an additional charge to be fixed by the bureau at not more than eight dollars and fifty cents (\$8.50) per cremation made during the preceding quarter, which charges shall be deposited in the Cemetery and Funeral Fund.

(b) This section shall become operative on July 1, 2016.

7712.10. (a) Each crematory for which a crematory license is required shall be operated under the supervision of a manager qualified in accordance with rules adopted by the bureau. Each manager shall be required to successfully pass a written examination evidencing an understanding of the applicable provisions of this code and of the Health and Safety Code.

(b) A person shall not engage in the business of, act in the capacity of, or advertise or assume to act as, a crematory manager without first obtaining a license from the bureau.

7713. A crematory shall at all times employ a licensed crematory manager to manage, supervise, and direct its operations.

(a) Every crematory shall designate a licensed crematory manager to manage the crematory, and shall report the designation to the bureau within 10 days of the effective date. Any change in the designated manager shall be reported to the bureau within 10 days.

(b) The designated crematory manager shall be responsible for exercising direct supervision and control over the operations, employees, and agents of the crematory as is necessary to ensure full compliance with the applicable provisions of this code, the Health and Safety Code, and any regulations adopted thereto. Failure of the designated crematory manager or the licensed crematory to exercise that supervision or control shall constitute a ground for disciplinary action.

(c) A crematory may employ, in addition to the designated crematory manager, additional licensed crematory managers. However, only one licensed crematory manager may be appointed as the designated crematory manager of the crematory.

7713.1. (a) Application for a crematory manager license shall be made in writing on the form provided by the bureau, verified by the applicant and filed at the principal office of the bureau. The application shall be accompanied by the fee fixed by this chapter.

(b) The applicant for a crematory manager license shall be at least 18 years of age, possess a high school diploma or its equivalent, shall not have committed acts or crimes constituting grounds for denial of licensure under Section 480, shall demonstrate compliance with the training and experience requirements established by the bureau, and shall be a resident of this state.

(c) The bureau shall grant a crematory manager license to any applicant who meets the requirements of this chapter and who has successfully passed the crematory manager examination administered by the bureau.

7713.2. (a) A person shall not engage in or conduct, or hold himself or herself out as engaging in or conducting, the activities of a crematory manager without holding a valid, unexpired crematory manager license issued by the bureau.

(b) A licensed crematory manager shall not engage in or conduct, or hold himself or herself out as engaging in or conducting, the activities of a crematory manager without being employed by, or without being a sole proprietor, partner, or corporate officer of, a licensed crematory.

7713.3. It is a misdemeanor for any person, firm, or corporation to cremate human remains or to engage in the disposition thereof without a valid, unexpired crematory license. Each cremation shall be a separate violation.

7713.4. A crematory licensee shall be subject to and shall be disciplined by the bureau in accordance with Article 6 (commencing with Section 7686).

SEC. 36. Section 7725.2 of the Business and Professions Code is amended to read:

7725.2. Except as otherwise provided in this chapter, a license that has expired may be renewed at any time within five years after its expiration

on filing of an application for renewal on a form prescribed by the bureau and payment of all accrued and unpaid renewal fees. If the license is not renewed within 30 days after its expiration the licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which all renewal fees are paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 7725 that next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

If a license is not renewed within one year following its expiration, the bureau may require as a condition of renewal that the holder of the license pass an examination on the appropriate subjects provided by this chapter.

SEC. 37. Section 7727 of the Business and Professions Code is amended to read:

7727. (a) On or before the 10th day of each month, the department shall pay into the State Treasury and report to the State Controller all the fees received for the bureau relating to funeral directors and embalmers. The fees shall be received by the State Treasurer and placed in the State Funeral Directors and Embalmers Fund, which fund is available for expenditures necessary for the proper administration of those provisions of this chapter governing funeral directors and embalmers.

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 38. Section 7727 is added to the Business and Professions Code, to read:

7727. (a) On or before the 10th day of each month, the department shall pay into the State Treasury and report to the State Controller all the fees received for the bureau. The fees shall be received by the State Treasurer and placed in the Cemetery and Funeral Fund, which fund is available for expenditures necessary for the proper administration of this chapter.

(b) This section shall become operative on July 1, 2016.

SEC. 39. Section 7729.1 is added to the Business and Professions Code, to read:

7729.1. The amount of fees prescribed for a license or certificate of authority under this act is that fixed by the following provisions of this article. Any license or certificate of authority provided under this act that has expired may be renewed within five years of its expiration upon payment of all accrued and unpaid renewal and regulatory fees.

SEC. 40. Section 7729.2 is added to the Business and Professions Code, to read:

7729.2. The delinquent renewal fee for a license, registration, or certificate of authority under this chapter shall be 150 percent of the timely fee, but not less than the renewal fee plus twenty-five dollars (\$25).

SEC. 41. Section 7729.3 is added to the Business and Professions Code, to read:

7729.3. The original cemetery broker's license fee shall be fixed by the bureau at not more than four hundred dollars (\$400).

SEC. 42. Section 7729.4 is added to the Business and Professions Code, to read:

7729.4. (a) The original cemetery broker's license fee is payable at the time of the filing of an application for an original cemetery broker's license.

(b) If the applicant fails the required written examination, he or she may be permitted to take another examination upon the filing of an application for reexamination and the payment of a reexamination fee. This reexamination fee shall be fixed by the bureau at not more than one hundred dollars (\$100).

(c) No part of any original cemetery broker's license fee or reexamination fee is refundable. It is deemed earned upon receipt by the bureau, whether the accompanying application for a license is complete or incomplete.

SEC. 43. Section 7729.5 is added to the Business and Professions Code, to read:

7729.5. The annual renewal fee for a cemetery broker's license shall be fixed by the bureau at not more than three hundred dollars (\$300).

SEC. 44. Section 7729.6 is added to the Business and Professions Code, to read:

7729.6. If the licensee is a cemetery brokerage corporation, the license issued to it entitles one officer only, on behalf of the corporation, to engage in the business of a cemetery broker without the payment of a further fee, that officer to be designated in the application of the corporation for a license. For each other officer of a licensed cemetery brokerage corporation, through whom it engages in the business of a cemetery broker, the annual renewal fee, in addition to the fee paid by the corporation, shall be fixed by the bureau at not more than one hundred dollars (\$100).

SEC. 45. Section 7729.7 is added to the Business and Professions Code, to read:

7729.7. If the licensee is a cemetery brokerage copartnership, the license issued to it entitles one member only of the copartnership to engage on behalf of the copartnership in the business of a cemetery broker, which member shall be designated in the application of the copartnership for a license. For each other member of the copartnership who on behalf of the copartnership engages in the business of a cemetery broker, the annual renewal fee, in addition to the fee paid by the copartnership, shall be fixed by the bureau at not more than one hundred dollars (\$100).

SEC. 46. Section 7729.8 is added to the Business and Professions Code, to read:

7729.8. The cemetery salesperson's license fee shall be fixed by the bureau at not more than thirty dollars (\$30).

SEC. 47. Section 7729.9 is added to the Business and Professions Code, to read:

7729.9. A cemetery salesperson's license fee is payable on each filing of an application for a cemetery salesperson's license.

SEC. 48. Section 7729.10 is added to the Business and Professions Code, to read:

7729.10. The annual renewal fee for a cemetery salesperson's license shall be fixed by the bureau at not more than twenty-five dollars (\$25).

SEC. 49. Section 7730 is added to the Business and Professions Code, to read:

7730. For a branch office broker's license, the fee shall be fixed by the bureau at not more than one hundred dollars (\$100).

SEC. 50. Section 7730.1 is added to the Business and Professions Code, to read:

7730.1. The cremated remains disposer registration fee shall be one hundred dollars (\$100).

SEC. 51. Section 7730.2 is added to the Business and Professions Code, to read:

7730.2. The renewal fee for a cremated remains disposer registration shall be fifty dollars (\$50).

SEC. 52. Section 7730.3 is added to the Business and Professions Code, to read:

7730.3. For change of name or of address of licensee on the records of the bureau, the fee shall be fixed by the bureau at not more than twenty-five dollars (\$25).

SEC. 53. Section 7730.4 is added to the Business and Professions Code, to read:

7730.4. For transfer of a salesperson's license on change of employer, the fee shall be fixed by the bureau at not more than twenty-five dollars (\$25).

SEC. 54. Section 7730.5 is added to the Business and Professions Code, to read:

7730.5. For a duplicate license the fee shall be fixed by the bureau at not more than twenty-five dollars (\$25).

SEC. 55. Section 7730.6 is added to the Business and Professions Code, to read:

7730.6. (a) For reinstatement of a license within the fiscal year, the fee shall be fixed by the bureau at not more than twenty-five dollars (\$25).

(b) As used in this section, "reinstatement of a license" means the reissuance of a canceled cemetery broker's license, or a cemetery salesperson's license which was canceled during the year for which it was issued upon the salesperson's withdrawal from the employ of a cemetery broker.

SEC. 56. Section 7730.7 is added to the Business and Professions Code, to read:

7730.7. (a) The fee for a crematory manager examination and reexamination may not exceed five hundred dollars (\$500).

(b) The license fee to obtain a crematory manager license may not exceed one hundred dollars (\$100).

(c) The renewal fee for a crematory manager license may not exceed one hundred dollars (\$100).

SEC. 57. Section 7730.8 is added to the Business and Professions Code, to read:

7730.8. (a) The fee for a cemetery manager examination and reexamination may not exceed nine hundred dollars (\$900).

(b) The license fee to obtain a cemetery manager license may not exceed one hundred dollars (\$100).

(c) The renewal fee for a cemetery manager license may not exceed one hundred dollars (\$100).

SEC. 58. Section 7730.9 is added to the Business and Professions Code, to read:

7730.9. The fee for filing a report of a change of designated manager or a request for approval to share a designated cemetery manager shall not exceed fifty dollars (\$50).

SEC. 59. Section 7730.10 is added to the Business and Professions Code, to read:

7730.10. (a) Every cemetery authority operating a cemetery shall pay an annual regulatory charge for each cemetery to be fixed by the bureau at not more than four hundred dollars (\$400). In addition to an annual regulatory charge for each cemetery, an additional quarterly charge to be fixed by the bureau at not more than eight dollars and fifty cents (\$8.50) for each burial, entombment, or inurnment made during the preceding quarter shall be paid to the bureau and these charges shall be deposited in the Cemetery Fund. If the cemetery authority performs a burial, entombment, or inurnment, and the cremation was performed at a crematory located on the grounds of the cemetery and under common ownership with the cemetery authority, the total of all additional charges shall be not more than eight dollars and fifty cents (\$8.50).

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 60. Section 7730.10 is added to the Business and Professions Code, to read:

7730.10. (a) Every cemetery authority operating a cemetery shall pay an annual regulatory charge for each cemetery to be fixed by the bureau at not more than four hundred dollars (\$400). In addition to an annual regulatory charge for each cemetery, an additional quarterly charge to be fixed by the bureau at not more than eight dollars and fifty cents (\$8.50) for each burial, entombment, or inurnment made during the preceding quarter shall be paid to the bureau and these charges shall be deposited in the Cemetery and Funeral Fund. If the cemetery authority performs a burial, entombment, or inurnment, and the cremation was performed at a crematory located on the grounds of the cemetery and under common ownership with the cemetery authority, the total of all additional charges shall be not more than eight dollars and fifty cents (\$8.50).

(b) This section shall become operative on July 1, 2016.

SEC. 61. Section 7731 is added to the Business and Professions Code, to read:

7731. Upon payment of the charges set forth, the bureau shall issue a renewal of the certificate of authority to the cemetery authority.

SEC. 62. Section 7731.1 is added to the Business and Professions Code, to read:

7731.1. Failure to pay the charges set forth by Section 7730.10 prior to February 1 for each year shall be cause for suspension of the certificate of authority. The certificate may be restored upon payment to the bureau of the prescribed charges.

SEC. 63. Section 7731.2 is added to the Business and Professions Code, to read:

7731.2. It is a misdemeanor for any cemetery corporation to make any interments without a valid certificate of authority. Each interment shall be a separate violation.

SEC. 64. Section 7731.3 is added to the Business and Professions Code, to read:

7731.3. (a) All moneys received by the bureau under the provisions of this chapter relating to cemetery regulation shall be accounted for and reported by detailed statements furnished by the bureau to the Controller at least once a month, and at the same time these moneys shall be remitted to the Treasurer, and, upon order of the Controller, shall be deposited in the Cemetery Fund in the State Treasury, which fund is hereby created.

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 65. Section 7731.3 is added to the Business and Professions Code, to read:

7731.3. (a) All moneys received by the bureau under the provisions of this chapter shall be accounted for and reported by detailed statements furnished by the bureau to the Controller at least once a month, and at the same time these moneys shall be remitted to the Treasurer, and, upon order of the Controller, shall be deposited in the Cemetery and Funeral Fund in the State Treasury, which fund is hereby created.

(b) This section shall become operative on July 1, 2016.

SEC. 66. Section 7731.4 is added to the Business and Professions Code, to read:

7731.4. (a) All moneys paid into the State Treasury and credited to the Cemetery Fund shall be expended in accordance with law for the payment of all actual and necessary expenses incurred in carrying out the provisions of this act.

(b) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 67. Section 7731.4 is added to the Business and Professions Code, to read:

7731.4. (a) All moneys paid into the State Treasury and credited to the Cemetery and Funeral Fund shall be expended in accordance with law for

the payment of all actual and necessary expenses incurred in carrying out the provisions of this act.

(b) This section shall become operative on July 1, 2016.

SEC. 68. Chapter 19 (commencing with Section 9600) of Division 3 of the Business and Professions Code is repealed.

SEC. 69. (a) Section 2.1 of this bill incorporates changes to Section 205 of the Business and Professions Code proposed by both this bill and Assembly Bill 177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2016, (2) each bill amends Section 205 of the Business and Professions Code, and (3) Assembly Bill 179 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after Assembly Bill 177, in which case Sections 2, 2.2, and 2.3 of this bill shall not become operative.

(b) Section 2.2 of this bill incorporates changes to Section 205 of the Business Code proposed by both this bill and Assembly Bill 179. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2016, (2) each bill amends Section 205 of the Business and Professions Code, (3) Assembly Bill 177 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after Assembly Bill 179 in which case Sections 2, 2.1, and 2.3 of this bill shall not become operative.

(c) Section 2.3 of this bill incorporates changes to Section 205 of the Business and Professions Code proposed by this bill, Assembly Bill 177, and Assembly Bill 179. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2016, (2) all three bills amend Section 205 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 177 and Assembly Bill 179, in which case Sections 2, 2.1, and 2.2 of this bill shall not become operative.

SEC. 70. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.